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**SUBSTITUTE SENATE BILL 6615**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Labor, Commerce, Research & Development  
(originally sponsored by Senators Prentice and Rasmussen)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to limiting the number and location of house-banked  
2 social card games; amending RCW 9.46.295 and 9.46.070; and declaring an  
3 emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 9.46.295 and 1974 ex.s. c 155 s 6 are each amended to  
6 read as follows:

7 (1) Any license to engage in any of the gambling activities  
8 authorized by this chapter ((as now exists or as hereafter amended)),  
9 and issued under the authority thereof shall be legal authority to  
10 engage in the gambling activities for which issued throughout the  
11 incorporated and unincorporated area of any county, except that:

12 (a) The commission shall neither issue nor renew any license to  
13 engage in a house-banked card game except in a location specified in a  
14 license to conduct a house-banked card game that, as of January 31,  
15 2006:

16 (i) Is approved by the commission and is in effect; or

17 (ii) Has been applied for and the application fee has been received  
18 by the commission, and the application has not subsequently been denied  
19 by the commission;

1 (b) A licensee authorized to engage in house-banked card games  
2 pursuant to a license described in (a) of this subsection may continue  
3 to engage in gambling activity authorized under the license until the  
4 city, town, city-county, or county with jurisdiction over the location  
5 identified in the license has in effect an ordinance, resolution, or  
6 other legislative act adopted pursuant to (c) of this subsection  
7 prohibiting such gambling activity; and

8 (c) A city located therein with respect to that city, or a county  
9 with respect to all areas within that county except for such cities,  
10 may absolutely prohibit(~~(, but may not change the scope of license,)~~)  
11 any or all of the gambling activities for which the license was issued.

12 (2) Nothing in this section authorizes any city, town, city-county,  
13 or county to adopt or enforce any ordinance, resolution, or other  
14 legislative act changing or purporting to change any provision within  
15 the scope of a license issued under this chapter.

16 (3) For purposes of this section, an ordinance, resolution, or  
17 other legislative act that:

18 (a) Prohibits all house-banked card games within the applicable  
19 jurisdiction on and after the effective date of the legislative act, or  
20 on and after any other date specified in the legislative act, shall be  
21 deemed to be an act adopted in compliance with subsection (1)(c) of  
22 this section; or

23 (b) Allows any house-banked card games to continue to operate  
24 within the applicable jurisdiction for an indefinite period after the  
25 effective date of the legislative act, or another date, if any,  
26 specified in the legislative act, shall be deemed to be an act not in  
27 compliance with subsection (1)(c) of this section, and is null and  
28 void.

29 **Sec. 2.** RCW 9.46.070 and 2002 c 119 s 1 are each amended to read  
30 as follows:

31 The commission shall have the following powers and duties:

32 (1) To authorize and issue licenses for a period not to exceed one  
33 year to bona fide charitable or nonprofit organizations approved by the  
34 commission meeting the requirements of this chapter and any rules (~~and~~  
35 ~~regulations~~) adopted pursuant thereto permitting said organizations to  
36 conduct bingo games, raffles, amusement games, and social card games,  
37 to utilize punch boards and pull-tabs in accordance with the provisions

1 of this chapter and any rules (~~and regulations~~) adopted pursuant  
2 thereto and to revoke or suspend said licenses for violation of any  
3 provisions of this chapter or any rules (~~and regulations~~) adopted  
4 pursuant thereto(~~(: PROVIDED, That)~~). However, except as provided in  
5 RCW 9.46.295, the commission shall not deny a license to an otherwise  
6 qualified applicant in an effort to limit the number of licenses to be  
7 issued(~~(: PROVIDED FURTHER, That)~~). The commission or director shall  
8 not issue, deny, suspend, or revoke any license because of  
9 considerations of race, sex, creed, color, or national origin(~~(: AND~~  
10 ~~PROVIDED FURTHER, That)~~). The commission may authorize the director to  
11 temporarily issue or suspend licenses subject to final action by the  
12 commission;

13 (2) To authorize and issue licenses for a period not to exceed one  
14 year to any person, association, or organization operating a business  
15 primarily engaged in the selling of items of food or drink for  
16 consumption on the premises, approved by the commission meeting the  
17 requirements of this chapter and any rules (~~and regulations~~) adopted  
18 pursuant thereto permitting said person, association, or organization  
19 to utilize punch boards and pull-tabs and to conduct social card games  
20 as a commercial stimulant in accordance with the provisions of this  
21 chapter and any rules (~~and regulations~~) adopted pursuant thereto and  
22 to revoke or suspend said licenses for violation of any provisions of  
23 this chapter and any rules (~~and regulations~~) adopted pursuant  
24 thereto(~~(: PROVIDED, That)~~). However, except as provided in RCW  
25 9.46.295, the commission shall not deny a license to an otherwise  
26 qualified applicant in an effort to limit the number of licenses to be  
27 issued(~~(: PROVIDED FURTHER, That)~~). The commission may authorize the  
28 director to temporarily issue or suspend licenses subject to final  
29 action by the commission;

30 (3) To authorize and issue licenses for a period not to exceed one  
31 year to any person, association, or organization approved by the  
32 commission meeting the requirements of this chapter and meeting the  
33 requirements of any rules and regulations adopted by the commission  
34 pursuant to this chapter as now or hereafter amended, permitting said  
35 person, association, or organization to conduct or operate amusement  
36 games in such manner and at such locations as the commission may  
37 determine;

1 (4) To authorize, require, and issue, for a period not to exceed  
2 one year, such licenses as the commission may by rule provide, to any  
3 person, association, or organization to engage in the selling,  
4 distributing, or otherwise supplying or in the manufacturing of devices  
5 for use within this state for those activities authorized by this  
6 chapter;

7 (5) To establish a schedule of annual license fees for carrying on  
8 specific gambling activities upon the premises, and for such other  
9 activities as may be licensed by the commission, which fees shall  
10 provide to the commission not less than an amount of money adequate to  
11 cover all costs incurred by the commission relative to licensing under  
12 this chapter and the enforcement by the commission of the provisions of  
13 this chapter and rules and regulations adopted pursuant thereto:  
14 PROVIDED, That all licensing fees shall be submitted with an  
15 application therefor and such portion of said fee as the commission may  
16 determine, based upon its cost of processing and investigation, shall  
17 be retained by the commission upon the withdrawal or denial of any such  
18 license application as its reasonable expense for processing the  
19 application and investigation into the granting thereof: PROVIDED  
20 FURTHER, That if in a particular case the basic license fee established  
21 by the commission for a particular class of license is less than the  
22 commission's actual expenses to investigate that particular  
23 application, the commission may at any time charge to that applicant  
24 such additional fees as are necessary to pay the commission for those  
25 costs. The commission may decline to proceed with its investigation  
26 and no license shall be issued until the commission has been fully paid  
27 therefor by the applicant: AND PROVIDED FURTHER, That the commission  
28 may establish fees for the furnishing by it to licensees of  
29 identification stamps to be affixed to such devices and equipment as  
30 required by the commission and for such other special services or  
31 programs required or offered by the commission, the amount of each of  
32 these fees to be not less than is adequate to offset the cost to the  
33 commission of the stamps and of administering their dispersal to  
34 licensees or the cost of administering such other special services,  
35 requirements or programs;

36 (6) To prescribe the manner and method of payment of taxes, fees  
37 and penalties to be paid to or collected by the commission;

1 (7) To require that applications for all licenses contain such  
2 information as may be required by the commission: PROVIDED, That all  
3 persons (a) having a managerial or ownership interest in any gambling  
4 activity, or the building in which any gambling activity occurs, or the  
5 equipment to be used for any gambling activity, or (b) participating as  
6 an employee in the operation of any gambling activity, shall be listed  
7 on the application for the license and the applicant shall certify on  
8 the application, under oath, that the persons named on the application  
9 are all of the persons known to have an interest in any gambling  
10 activity, building, or equipment by the person making such application:  
11 PROVIDED FURTHER, That the commission shall require fingerprinting and  
12 national criminal history background checks on any persons seeking  
13 licenses, certifications, or permits under this chapter or of any  
14 person holding an interest in any gambling activity, building, or  
15 equipment to be used therefor, or of any person participating as an  
16 employee in the operation of any gambling activity. All national  
17 criminal history background checks shall be conducted using  
18 fingerprints submitted to the United States department of justice-  
19 federal bureau of investigation. The commission must establish rules  
20 to delineate which persons named on the application are subject to  
21 national criminal history background checks. In identifying these  
22 persons, the commission must take into consideration the nature,  
23 character, size, and scope of the gambling activities requested by the  
24 persons making such applications;

25 (8) To require that any license holder maintain records as directed  
26 by the commission and submit such reports as the commission may deem  
27 necessary;

28 (9) To require that all income from bingo games, raffles, and  
29 amusement games be recorded and reported as established by rule or  
30 regulation of the commission to the extent deemed necessary by  
31 considering the scope and character of the gambling activity in such a  
32 manner that will disclose gross income from any gambling activity,  
33 amounts received from each player, the nature and value of prizes, and  
34 the fact of distributions of such prizes to the winners thereof;

35 (10) To regulate and establish maximum limitations on income  
36 derived from bingo. In establishing limitations pursuant to this  
37 subsection the commission shall take into account (i) the nature,  
38 character, and scope of the activities of the licensee; (ii) the source

1 of all other income of the licensee; and (iii) the percentage or extent  
2 to which income derived from bingo is used for charitable, as  
3 distinguished from nonprofit, purposes. However, the commission's  
4 powers and duties granted by this subsection are discretionary and not  
5 mandatory;

6 (11) To regulate and establish the type and scope of and manner of  
7 conducting the gambling activities authorized by this chapter,  
8 including but not limited to, the extent of wager, money, or other  
9 thing of value which may be wagered or contributed or won by a player  
10 in any such activities;

11 (12) To regulate the collection of and the accounting for the fee  
12 which may be imposed by an organization, corporation, or person  
13 licensed to conduct a social card game on a person desiring to become  
14 a player in a social card game in accordance with RCW 9.46.0282;

15 (13) To cooperate with and secure the cooperation of county, city,  
16 and other local or state agencies in investigating any matter within  
17 the scope of its duties and responsibilities;

18 (14) In accordance with RCW 9.46.080, to adopt such rules and  
19 regulations as are deemed necessary to carry out the purposes and  
20 provisions of this chapter. All rules and regulations shall be adopted  
21 pursuant to the administrative procedure act, chapter 34.05 RCW;

22 (15) To set forth for the perusal of counties, city-counties,  
23 cities and towns, model ordinances by which any legislative authority  
24 thereof may enter into the taxing of any gambling activity authorized  
25 by this chapter;

26 (16) To establish and regulate a maximum limit on salaries or wages  
27 which may be paid to persons employed in connection with activities  
28 conducted by bona fide charitable or nonprofit organizations and  
29 authorized by this chapter, where payment of such persons is allowed,  
30 and to regulate and establish maximum limits for other expenses in  
31 connection with such authorized activities, including but not limited  
32 to rent or lease payments. However, the commissioner's powers and  
33 duties granted by this subsection are discretionary and not mandatory.

34 In establishing these maximum limits the commission shall take into  
35 account the amount of income received, or expected to be received, from  
36 the class of activities to which the limits will apply and the amount  
37 of money the games could generate for authorized charitable or  
38 nonprofit purposes absent such expenses. The commission may also take

1 into account, in its discretion, other factors, including but not  
2 limited to, the local prevailing wage scale and whether charitable  
3 purposes are benefited by the activities;

4 (17) To authorize, require, and issue for a period not to exceed  
5 one year such licenses or permits, for which the commission may by rule  
6 provide, to any person to work for any operator of any gambling  
7 activity authorized by this chapter in connection with that activity,  
8 or any manufacturer, supplier, or distributor of devices for those  
9 activities in connection with such business. The commission shall not  
10 require that persons working solely as volunteers in an authorized  
11 activity conducted by a bona fide charitable or bona fide nonprofit  
12 organization, who receive no compensation of any kind for any purpose  
13 from that organization, and who have no managerial or supervisory  
14 responsibility in connection with that activity, be licensed to do such  
15 work. The commission may require that licensees employing such  
16 unlicensed volunteers submit to the commission periodically a list of  
17 the names, addresses, and dates of birth of the volunteers. If any  
18 volunteer is not approved by the commission, the commission may require  
19 that the licensee not allow that person to work in connection with the  
20 licensed activity;

21 (18) To publish and make available at the office of the commission  
22 or elsewhere to anyone requesting it a list of the commission  
23 licensees, including the name, address, type of license, and license  
24 number of each licensee;

25 (19) To establish guidelines for determining what constitutes  
26 active membership in bona fide nonprofit or charitable organizations  
27 for the purposes of this chapter; and

28 (20) To perform all other matters and things necessary to carry out  
29 the purposes and provisions of this chapter.

30 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
31 preservation of the public peace, health, or safety, or support of the  
32 state government and its existing public institutions, and takes effect  
33 immediately.

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